



GPC NEWSLETTER

JANUARY 2003



Hope you're having an excellent start to the new year, especially in light of your preparations for the upcoming inspection. In case you haven't heard, AFI 64-117 has been revised. The date of the current revision is 06 Dec 2002. This publication does not introduce any new topics; however it does codify guidance on many of the processes that we have implemented over the last couple of years. As a result, this edition, our thirtieth, will discuss those areas changes have taken place or where improvement and/or increased understanding is required.

Please take time to visit the GPC website! You can obtain vital program information, sample document formats and links to other GPC websites. It is available at:
<http://www.losangeles.af.mil/SMC/PK/PKHOME/PKO/gpc/index.html>. Your suggestions for improvements are encouraged.

REVISED AFI 64-117 (06 DEC 2002)

The following items have been added or clarified in this latest edition of AFI 64-117, AF Government-wide Purchase Card (GPC) Program, 6 December 2002:

Using The GPC as a Method of Payment

Guidance has been added to clarify the requirements that must be met to allow a warranted contracting officer to specify the GPC as a method of payment on a contractual document up to the limit of his/her warrant. Like all other users of the GPC, contracting personnel must comply with existing statutory requirements for establishing, funding, reconciling, and approving GPC purchases and other transactions even when using the GPC in this manner.

Purchases greater in value than \$2,500 must comply with all pertinent and required procurement and financial management rules, policies, and laws associated with the dollar value of the purchase. There are a couple of additional requirements outlined in the AFI.

Use of Local Small Businesses

In addition to the requirement to use the statutorily mandated sources in FAR Part 8 (UNICOR, JWOD, etc.), guidance has been added mandating the equitable distribution of GPC micro-purchases should be distributed equitably among qualified suppliers, in accordance with

FAR 13.202(a)(1), with special consideration paid to supporting local, small, and small disadvantaged businesses.

Bottom Line: If you have navigated your way through the maze of mandatory sources and still can't find what you're looking for, PRIOR to contacting a large business-entity, locate a local, small or small disadvantaged business. It is those type firms that are the backbone of the economy.

Purchases Above the Micropurchase Limit (\$2,500)

Guidance has been added codifying the requirement for cardholders to collect and report information from the vendor on a DD Form 1057, *Monthly Summary of Contracting Actions* \$25,000 or less for each transaction between \$2,500.01 and \$25,000. Here at LAAFB, this data must be submitted to this office within three workdays following the purchase.

Reminder: If authorized to use the GPC above the micropurchase threshold, cardholders must use a prepriced instrument (GSA contract; BPA, etc) to satisfy requirements. When purchasing from GSA or via BPAs, cardholders must review prices on at least three contracts/agreements and select the best value item for their requirements. A record of this review will be kept with the cardholder's GPC documentation.

Paid Advertisements

For AFSPC, guidance has been added designating the commander and vice commander with authority to redelegate expenditures of \$2,500 or less to the senior commander principally responsible for installation support at each base (or an individual acting in those positions).

Printing Services (DAPS Unavailable)

Guidance has been added stating that when DAPS is not available and authorization is received to use commercial printing sources, the limit is \$2,500 per purchase.

Rental or Leases of Buildings

Guidance has been added to allow the rental of temporary storage to facilitate office reconfiguration only under the following conditions.

- The period of the rental shall NOT exceed 90 days.

- The total price of the rental shall NOT exceed \$2,500.
- The rental period shall NOT cross a fiscal year, and
- The written approval of the civil engineering real property officer must be obtained prior to rental or lease of the space..

Gifts (e.g., Retirements, Farewells)

Guidance (extracted from AFI 65-601, V1) has been added to prohibit the purchase of food and beverages for organizational functions (commander's call, picnics, parties, awards programs), promotional items for conferences, meetings, symposia (coins, mugs, coasters), and cash incentive awards. The rewrite permits the purchase of U.S. flags, using unit funds, for gift presentation to military personnel upon their retirement only. The rental of banquet halls or similar facilities for these functions is still not authorized

Entertainment

Guidance (extracted from AFI 65-601, V1) has been added to prohibit the purchase of those items considered entertainment (i.e. party supplies, serving materials, food, drink, etc), unless specifically authorized by law. The exceptions to this policy are listed in AFI 65-601 V1, para 4.28.1. and 4.42.2.

Use of Appropriated Funds

Language has been added referring those who seek more detailed guidance on authorized and unauthorized uses of appropriated funds to AFI 65-601, Vol 1 and AFI 65-301. The reader is advised to contact the local comptroller office, if additional guidance is required.

Accountability of Property.

Language has been added that assigns responsibility for accountability for equipment items equal to or under the micro-purchase threshold (\$2,500) to the of unit commander. Of particular interest are electronic devices such as PDAs, digital cameras, cell phones and pagers. The commander of the activity must establish a locally devised program that provides visibility and audit trail capability. This may include use of hand receipts and spreadsheets. Accountability requirements for equipment items valued in excess of the micro-purchase procedures are also detailed.

Language has also been added requiring the tracking of computer equipment and software in accordance with AFI 33-101, *Communications and Information Management Guidance and Responsibilities*.

Appointment of Alternate Billing Officials

Language has been added requiring the appointment of an alternate billing official at the same time the primary billing official is designated. In addition, the letter of appointment MUST fully describe the types of purchases to be made and identify the name, rank, duty title, telephone number, and e-mail address of the cardholder and primary and alternate approving official.

Quarterly Spending Limits

Language has been added requiring the FSO to set quarterly spending limits for each billing official account at the same dollar value as the AF Form 4009. It is further noted that overspending funds available on the AF Form 4009 will result in unit commander notification and will result in suspension of the cardholder's and/or approving official's GPC privileges and/or other disciplinary action.

Convenience Check Reporting Process

Language has been added changing the way checkwriters capture and report TD Form 1099 MISC, *Statement for Recipients of Miscellaneous Income*, data for services paid by convenience check. Effective immediately, authorized convenience check writers and GPC Program Manager(s) must register in the DFAS 1099 Tax Reporting Program. The application forms are available at the DFAS web site (see <https://dfas4dod.dfas.mil/systems/1099>).

The application forms must be signed by the GPC program office prior to faxing or mailing them to DFAS. Once received, it will take DFAS about 3-4 weeks to assign you a userid and password. Once you can access the reporting system, the required data must be input on a monthly basis. This is a drastic change from the previous annual reporting requirement.

REMINDERS:

- Checks are negotiable instruments and must be stored in a locked container, such as a safe or metal filing cabinet.
- Only the named person shall be designated as the convenience check writer and have the authority to sign and issue convenience checks.
- Check accounts shall be under the custody of an individual who is not responsible for the origination, approval and/or processing of the requirement for a check.
- Convenience check purchases are subject to the same requirements and restrictions as the GPC and shall not be used for any purpose where purchase using appropriated funds is not otherwise authorized.

- In addition, supplies or services purchased with the convenience check must be available for delivery within **15 days** at the contractor's place of business or at destination.

New Program Prerequisite

All cardholders and approving officials must complete the computer-based training module located on the US Bank website BEFORE they are issued a GPC. Evidence of completion of this requirement must be submitted with account request documentation. It is suggested the CBT module be completed prior to attending the initial training session. This process should allow the instructor to answer any questions formulated while completing the training module.

GPC Training Session Functional Responsibilities

Language has been added that assigns specific training topics to various functional activities. Those topics and organizations are as follows:

- Funding document maintenance, account certification and billing procedures. The FSO shall provide this training.
- Use of recovered materials (purchase of EPA guideline items – Affirmative Procurement (CE Environmental provides this training)
- Hazardous materials. (HMMP Team is responsible for providing this training.)
- Construction purchase requirements. (The Civil Engineering Operations flight provides this training as part of the mandatory cardholder training session).
- Purchase of non-medical equipment items, allowances standards, and placing equipment items on an organizational account after receipt. (Base Supply provides this training.)

Cardholder Responsibilities

This requirement is not new, but is being re-emphasized!!

Each cardholder must ensure purchase limits assigned to the card account **are not exceeded**. The total amount of a single purchase may be comprised of multiple items, but it **may not exceed the authorized single purchase limit**. Under the new procedures outlined, purchases will be denied if the authorized single purchase limit, monthly spending limit, or quarterly spending limit are exceeded. As has always been the case, the payment for purchases shall not be split in order to stay within the single purchase limit. Urgency or expenditure of end-of-year funds does not relieve the cardholder or approving official from compliance with the requirements of the AFI or other

fiscal guidance. There are no circumstances that would allow you to circumvent the guidance issued on this subject. Any purchase of supplies, equipment or services that would exceed the single purchase limit **must** be forwarded through the proper channels to the 61st CONS for procurement.

Documenting GPC Transactions

Language has been added requiring the documenting of all GPC transactions in the electronic transaction management log provided by the Bank. Use of the e-log does not relieve the cardholder and billing official of their obligation to retain receipts (cash register "tickets," invoices, shipping/packing documents or receiving reports, or electronic purchase confirmations are acceptable) for each purchase and other supporting documentation such as special approvals and maintain them in a separate file. This documentation must be available for review by 61st CONS upon request.

COMPLETION OF CARE PURCHASE LOGS

At the beginning of this calendar year, we began a campaign to inform you that all cardholder purchases had to be kept in the log contained in CARE. Each billing official should ensure, each month, that all purchases conducted are recorded in the electronic purchase log contained in CARE with the required detail as outlined in AFI 64-117. We have sent you instructions on how to do this and provided monthly reminders in this forum.

The extended deadline (**31 Jan 03**) for completion of this task is rapidly approaching. Those who do not complete this tasking will have their accounts suspended. This suspension will remain in effect for at least seven (7) AFTER completion of the requirement. Notifications will be sent out within 2-3 weeks. The billing official is required to ensure this action is completed each month. Completion will be monitored monthly. Initially, all failures to comply will result in the suspension of the cardholder account. Repeated failures to comply will result in suspension of the billing official account. Suspensions will not be lifted until seven calendar days after completion.

DOD PURCHASE CARD TUTORIAL

On September 27, 2002, Ms. Deidre Lee, Director, DoD Defense Procurement and Acquisition Policy, USD(AT&L) signed a memo, requiring that all DoD personnel holding a Government Purchase Card complete a Defense Acquisition University GPC training module. The DoD GPC Tutorial module is a self-paced course comprised of ten lessons that present the mandatory requirements and other guidelines to consider and apply, as appropriate when utilizing the GPC. This tutorial was

developed after one, or more, of the various audits/inspections/reviews revealed serious program deficiencies. Its purpose is to provide training to cardholders and billing officials and help them to at ease with using the GPC.

This course is **IN ADDITION TO** any agency specific training the billing official and cardholder must complete prior to issuance of the GPC and annual refresher training. The average cumulative time for course completion is four seat hours. You may take this self-paced course over time, with the ability to return to the last page you accessed. The course includes periodic review questions and a post-test. The post-test **requires a minimum score of 70%** and may be taken as many times as necessary to obtain a passing score. A certificate of completion is available at the conclusion of a successful post-test and must be printed and forwarded to this office, to document your completion of this mandatory requirement.

Ensure you **take the DoD version** of the tutorial and NOT the GSA version. Separate instructions on the location of and accessing the training module have been sent to all billing officials and cardholders. If you do have not received this information, please contact me at 3-5115.

BOTTOM LINE: All program participants, to include cardholders, billing officials, and alternate billing officials, **MUST** complete this training with a minimum score of 70 percent **AND** forward a copy of the completion certificate. The suspense date (extended to 31 Jan 03) for completion of this action is rapidly approaching. Program participants who have not completed this requirement will have their accounts suspended. The suspension will not be lifted until seven days after completion of the requirement. **NOTE:** This requirement does NOT replace the initial or refresher training attendance requirement.

SURVEILLANCE REQUIREMENTS

AFI 64-117, 06 Dec 02, Paras 3.6.1.6, 4.3.3.6, and Atch 4, requires the Billing Official (BO) to conduct surveillance on 100% of their cardholders **at least annually** and 100% of their checkbook accounts **quarterly**. To ensure the annual inspection of cardholder accounts is conducted and properly documented, each billing official, by the extended completion date (31 Jan 03), should complete and forward to this office **written verification** that the required action(s) have been accomplished. Failure to do so will result in the suspension of the B/O account until this requirement has been satisfied.

To ensure the quarterly inspection of check writer accounts is conducted and properly documented, each billing official, by the extended completion date (31 Jan 03) should have completed and forwarded to this office **written verification** that the required action(s) have been

accomplished. This is a quarterly report due at the end of each third month (March, June, September and December). Failure to submit this report within 15 calendar days after the end of each third month will result in the suspension of the B/O account until this requirement has been satisfied.

MANDATORY PURCHASE CARD REFRESHER TRAINING

Annual GPC refresher training is **MANDATORY** for all program participants, cardholders and billing officials. Failure to attend this training within **30** days of your due date will result in your participation in the program being temporarily suspended until this requirement is satisfied. If the billing official account is suspended, all cards managed there under will be rendered useless.

The next GPC refresher training session is scheduled for 19 Feb 2003 from 0900 to 1200 in Bldg. 219, Room 1080. Attendance is on a first-come, first-served basis. For further information, contact David Robledo (3-2852) or Jennifer Agcaoili (3-0623).

Bottom Line: You must attend refresher training within 12 months of your last training session... whenever that was!!

INITIAL AND REFRESHER TRAINING

GPC refresher training is **MANDATORY** for all program participants, cardholders and billing officials. Failure to attend this training within 30 days of your due date will result in your participation in the program being temporarily suspended until this requirement is satisfied. If the billing official account is suspended, all cards managed there under will be rendered useless.

A schedule is provided for your convenience and planning.

Initial	Refresher
Bldg. 219, Room 1080	Bldg. 219, Room 1080
0800-1200	0900-1200
12 Feb 03	19 Feb 03
05 Mar 003	12 Mar 03
02 Apr 03	09 Apr 03
07 May 03	14 May 03
04 Jun 03	11 Jun 03

NOTES

As always, questions, comments and/or suggestions should be submitted to our GPC dedicated e-mail address at smcpk.impac@losangeles.af.mil. Take good care of yourselves!! See you next month!!

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